



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1130/4

JTK&MDK:eev&cjs:jm

Stays

DOA:.....Bong, BB0350 - Sale or lease of state-owned real property

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

do NOT gen

- 1 AN ACT ...; relating to: sale or lease of state-owned real property, contractual
- 2 operation of state facilities, and management of state-owned heating, cooling,
- 3 and power plants.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, with certain exceptions, DOA may sell or lease state-owned real property if DOA determines that the sale is in the best interest of the state and the Building Commission approves the sale. Any sale may be either on the basis of public bids, with DOA reserving the right to reject any bid in the interest of the state, or negotiated prices and need not reflect fair market value. Also currently, various state agencies have authority to sell real property under their jurisdiction subject to various conditions and limitations. The proceeds of any sales are deposited, credited, or used in various ways as provided by law. DOA's authority generally does not apply to property that another agency has authority to sell. Also, DOA's authority does not operate to permit the closure or sale of any facility or institution the operation of which is required by law. DOA's authority also does not extend to property under the jurisdiction of the Board of Regents of the University of Wisconsin System and certain property under the jurisdiction of DHS at the Northern Center for the Developmentally Disabled. Except as otherwise provided by law, any sale by DOA

may be with or without the approval of the state agency that has jurisdiction over the property. The net proceeds of any sale by DOA are used to retire any outstanding public debt that was incurred to acquire, construct, or improve the property and if the property was acquired, constructed, or improved with federal financial assistance, the proceeds must be used to repay the federal government to the extent required by federal law. If the property was acquired by gift or grant or with gift or grant funds, DOA must adhere to any restriction governing use of the proceeds. DOA must use any remaining net proceeds to retire other outstanding public debt.

Currently, with certain exceptions, the Building Commission may also sell state-owned real property where this authority is not given to another state agency by law, and may transfer land under its jurisdiction among agencies. Sales may be accomplished in a manner similar to the manner that sales are conducted by DOA, except that sales of surplus land having a value of at least \$20,000 are subject to the approval of JCF. However, the Building Commission does not have the authority to sell a parcel of state-owned real property once DOA notifies the commission that an offer of sale or sale with respect to the parcel is pending. If a sale is not completed and no further action is pending with respect to a parcel of property, the authority of the Building Commission to sell the property is restored. The net proceeds of any sales by the Building Commission must be used to retire any public debt that was used to acquire or construct improvements on the property being sold. The remaining net proceeds must be deposited in the budget stabilization fund. Current law also directs the Building Commission to compile biennially and transmit to JCF an inventory of state-owned surplus land.

This bill permits DOA or the Building Commission to sell or lease any state-owned real property unless prohibited by the state or federal constitution or federal law, subject to the approval of the Building Commission. Under the bill, any sale may be either on the basis of public bids, with DOA or the commission reserving the right to reject any bid in the best interest of the state, or on the basis of negotiated prices as determined through a competitive or transparent process. The bill does not apply to sales conducted to enforce an obligation to this state. The bill retains most of the existing exemptions from DOA's sales authority but eliminates the current exemption of the Board of Regents of the University of Wisconsin System and DHS (with respect to the Northern Center) to sell or lease state-owned real property independently of DOA. Under the bill, if DOA or the Building Commission notifies the Board of Regents or DHS that an offer of sale, sale, or lease is pending with respect to a parcel of property, the Board of Regents or DHS does not have authority to sell or lease that property. The bill eliminates the current exception that exempts sales that would necessitate the closure of a facility or institution which is provided for by law. However, the bill does not repeal any statutes that require the operation of any facilities or institutions. Under the bill, if DOA or the Building Commission sells all the real property that is currently used to operate a facility or institution, the facility or institution would need to continue in operation. Under the bill, except with respect to exempt property, if any agency has authority to sell or lease real property under any other law, the authority of that agency does not apply after DOA or the Building Commission notifies the agency in writing that an offer of sale or sale,

or a lease agreement, is pending with respect to the property. If the sale or lease is not completed and no further action is pending with respect to the property, the authority of the agency to sell or lease the property is restored. Under the bill, DOA and the Building Commission must first use the net proceeds of any sale to retire any public debt that was used to finance the acquisition, construction, or improvement of the property that is sold. Thereafter, DOA and the Building Commission must use the net proceeds of any sale to pay the costs of federal tax law compliance applicable to the debt. ~~Thereafter~~ DOA and the Building Commission ~~must~~ use the remaining net proceeds of any sale, subject to current requirements, to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold, ~~and after any such debt is retired, to retire any public debt incurred for transportation purposes from general fund supported borrowing and after any such debt is retired, to retire any public debt incurred for transportation purposes from segregated fund or segregated revenue supported borrowing and after any such debt is retired, to retire other outstanding public debt.~~ The bill provides that if any property that is proposed to be sold by DOA is co-owned by a nonstate entity, DOA must afford to the co-owner the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by DOA.

The bill also provides that if DOA leases a state-owned heating, cooling, or power plant, DOA may contract for the operation of any function that is performed by the state on the property. Currently, DOA or any state agency to which DOA delegates authority may enter into a contractual services agreement if the services can be performed more economically or efficiently by contract than by the state directly. The bill provides that this requirement does not apply to contracts with purchasers or lessees entered into by DOA under the bill. The bill provides that if DOA or the Building Commission sells or leases any real property that was under the jurisdiction of another state agency prior to the sale or lease, the agency must convey all systems, fixtures, or additional property interests specified by DOA or the Building Commission to the purchaser or lessee of the property on the terms specified by DOA or the Building Commission. In addition, the bill provides that if DOA sells or contracts with a lessee for the operation of any facility that is operated by a state agency before the effective date of the sale or contract, DOA may decrease the authorized full-time equivalent positions for the agency and may lapse or transfer appropriated moneys from any appropriation made to the agency, other than a sum sufficient appropriation or an appropriation of federal revenues, to account for discontinuance of the operation of the facility by the agency.

Finally, the bill modifies the authority of the Building Commission to sell or lease state-owned buildings, structures, and land to parallel the authority of DOA under the bill so that the authority includes property under the jurisdiction of the Board of Regents of the University of Wisconsin System and is not generally limited by sales authority given to state agencies, and so that distribution of sales proceeds is accomplished in the same manner as proceeds of DOA's sales are distributed. The bill deletes the current limitation that certain sales of surplus land are subject to approval of JCF. The bill directs each state agency, no later than January 1, 2014, and biennially thereafter, to submit to DOA an inventory of all real property under

an appropriation of program revenues to the Board of Regents of the University of Wisconsin System for the operation of any real property

for the commission

The bill directs

and thereafter to retire other similar revenue obligations. If other outstanding public debt is redeemed, the bill requires factors to consider in which debt to redeem.

Purchaser or

JWS
3A

lessee

to

or the Building Commission

or the commission

leases, lease, or

segregated or

for if DOA contracts with a purchaser or lessee

its jurisdiction together with the estimated fair market value of each property. Each agency must specifically identify any underutilized assets in the inventory. Under the bill, no later than July 1 following receipt of the inventories, DOA must obtain appraisals of all properties in the inventory that are identified by DOA for potential sale and submit to the Building Commission an inventory containing a location, description, and fair market value of each property identified for potential sale.

Currently, DOA has charge of, operates, and maintains the state capitol power plant and any power plants serving the state office buildings. Under the bill, DOA has charge of, operates, and maintains any heating, cooling, and power plants not operated by another agency or by a purchaser, lessee, or contractor.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.48 (2) (b) 3. of the statutes is amended to read:

2 13.48 (2) (b) 3. The Except as provided in sub. (14) (am), the building
3 commission may lease space in buildings described under subd. 2. to other
4 governmental bodies or to nonprofit associations organized for public purposes and
5 shall charge those bodies or associations an annual rental which shall be not less
6 than the cost of operating, maintaining and amortizing the construction cost of the
7 leased space.

8 **SECTION 2.** 13.48 (14) (title) of the statutes is amended to read:

9 13.48 (14) (title) SALE OR LEASE OF LANDS PROPERTY.

10 **SECTION 3.** 13.48 (14) (a) of the statutes is amended to read:

11 13.48 (14) (a) In this subsection, "agency" has the meaning given for "state
12 agency" in s. 20.001 (1), ~~except that the term does not include the Board of Regents~~
13 ~~of the University of Wisconsin System in s. 16.52 (7).~~

14 **SECTION 4.** 13.48 (14) (am) of the statutes is amended to read:

15 13.48 (14) (am) Except as provided in this paragraph ~~and subject to par. (d),~~
16 the building commission shall have the authority to sell or lease all or any part of a
17 ~~state-owned building or structure or state-owned land, including farmland, where~~

1 ~~such authority is not otherwise provided to an agency by law~~ real property unless the
2 sale or lease is prohibited under the state or federal constitution or federal law or the
3 sale is conducted as a part of a procedure to enforce an obligation to this state, and
4 may transfer land real property under its jurisdiction among agencies. The building RWS
5-4
5 commission does not have the authority to sell or lease any state-owned real
6 property under this paragraph after the department of administration notifies the
7 commission in writing that an offer of sale or sale or lease agreement with respect
8 to a property is pending under s. 16.848 (1). If the sale or lease is not completed and
9 no further action is pending with respect to the property, the authority of the building
10 commission under this paragraph is restored. Except with respect to property
11 identified in s. 16.848 (2), if any agency has authority to sell or lease real property
12 under any other law, the authority of that agency does not apply after the commission
13 notifies the agency in writing that an offer of sale or sale, or a lease agreement, is
14 pending with respect to the property under this paragraph. If the sale or lease is not
15 completed and no further action is pending with respect to the property, the authority
16 of the agency to sell or lease the property is restored. If the commission sells or leases
17 any state-owned real property under this subsection, the commission may attach
18 such conditions to the sale or lease as it finds to be necessary or appropriate to carry
19 out the sale or lease in the best interest of the state. This paragraph does not apply
20 to real property that is exempted from sale or lease by the department of
21 administration under s. 16.848.

22 **SECTION 5.** 13.48 (14) (b) of the statutes is amended to read:

23 13.48 (14) (b) ~~Subject to par. (d), the~~ The building commission shall sell or lease
24 on the basis of either public bids, with the building commission reserving the right
25 to reject any or all bids in the best interest of the state, or on the basis of negotiated

1 prices as determined through a competitive or transparent process. Buildings,
2 structures and land mentioned in this subsection shall be subject to general property
3 taxes levied by those taxing bodies within whose area they lie if used for commercial
4 purposes, and shall be subject to special assessments for public improvements in the
5 same manner and to the same extent as privately owned buildings, structures and
6 land real property, subject to approval of the building commission when required
7 under s. 66.0703 (6).

8 **SECTION 6.** 13.48 (14) ~~(bm)~~ ^(br) of the statutes is created to read:

9 13.48 (14) ~~(bm)~~ ^(br) If the building commission sells or leases any real property
10 under par. (am) that was under the jurisdiction of an agency prior to the sale or lease,
11 the agency shall convey all systems, fixtures, or additional property interests
12 specified by the commission to the purchaser or ~~lessee~~ ^{lessor} of the property on terms
13 specified by the commission. SVS 6-13 ✓

14 **SECTION 7.** 13.48 (14) (c) of the statutes is renumbered 13.48 (14) (c) (intro.) and
15 amended to read:

16 13.48 (14) (c) (intro.) If Except as provided in par. (e), if there is any outstanding
17 public debt used to finance the acquisition of a building, structure or land or the
18 construction or improvement of a building or structure that is sold ~~or~~ leased under
19 par. (b) ~~(am)~~, the building commission shall deposit a sufficient amount of the net
20 proceeds from the sale ~~or~~ lease of the building, structure or land in the bond security
21 and redemption fund under s. 18.09 to repay the principal and pay the interest on
22 the debt, and any premium due upon refunding any of that debt. ~~Except as provided~~
23 in s. 51.06 (6), if, and to provide a sufficient amount for the costs of maintaining
24 federal tax law compliance applicable to the debt. If the property was acquired,
25 constructed, or improved with federal financial assistance, the commission shall pay

moneys

1 to the federal government any of the proceeds required by federal law. If the property
 2 was acquired by gift or grant or with gift or grant funds, the commission shall adhere
 3 to any restriction governing use of the proceeds. ~~Except as required under par. (e), and~~
 4 or, there are no monies payable to the federal government, and there is no restriction
 5 governing use of the process, and if the net proceeds exceed the amount required to
 6 repay that principal and pay that interest and premium be deposited, paid, or used
 7 for another purpose under this ^{Subsection} ~~paragraph~~, the building commission shall deposit
 8 first use the net proceeds or remaining net proceeds in the budget stabilization fund.

9 ~~from the sale to retire any revenue obligation debt in the fund that was used to~~
 10 ~~acquire, construct, or improve the property in the manner provided in par. (cm), shall~~
 11 ~~then use the process or the remaining net proceeds to pay principal and interest costs~~
 12 ~~on outstanding public debt that was used for transportation purposes from general~~
 13 ~~fund supported borrowing, shall then use the net proceeds or remaining net proceeds~~
 14 ~~to pay principal and interest costs on outstanding public debt that was used for~~
 15 ~~transportation purposes from segregated fund or segregated revenue supported~~
 16 ~~borrowing, and shall then use the net proceeds or remaining net proceeds to pay~~
 17 principal and interest costs on other outstanding public debt. For the purpose of
 18 paying principal and interest costs on other outstanding public debt under this
 19 paragraph, the commission may cause outstanding bonds to be called for redemption
 20 on or following their optional redemption date, establish one or more escrow accounts
 21 to redeem bonds at their optional redemption date, or purchase bonds in the open
 22 market. To the extent practical, the commission shall consider all of the following
 23 in determining which public debt to redeem:

24 **SECTION 8.** 13.48 (14) (c) 1. to 4. of the statutes are created to read:

1 13.48 (14) (c) 1.

To the extent that debt service on the property being sold was paid from a segregated fund, other outstanding debt within the same statutory bond purpose that was used to acquire, build, or improve the property being sold, that segregated fund should be redeemed.

2
3
4 2. The extent to which general obligation debt that was issued to acquire, build,
5 or improve the property being sold is subject to current optional redemption, would
6 require establishment of an escrow, or could be assigned for accounting purposes to
7 another statutory bond purpose.

8 3. The fiscal benefit of redeeming outstanding debt with higher interest costs.

9 4. The costs of maintaining federal tax law compliance in the selection of
10 general obligation debt to be redeemed.

11 **SECTION 9.** 13.48 (14) (cm) of the statutes is created to read:

12 13.48 (14) (cm) If there are any outstanding revenue obligations, issued
13 pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or
14 improvement of any property that is sold under par. (am), the commission shall
15 deposit a sufficient amount of the net proceeds from the sale of the property in the
16 respective redemption fund provided under s. 18.561 (5) or 18.562 (3) to repay the
17 principal and pay the interest on the revenue obligations, and any premium due upon
18 refunding any of the revenue obligations, and to provide a sufficient amount for the
19 costs of maintaining federal tax law compliance applicable to the revenue
20 obligations. For the purpose of paying principal and interest costs on other
21 outstanding revenue obligations, the commission may cause outstanding revenue
22 obligations to be called for redemption on or following their optional redemption
23 date, establish one or more escrow accounts to redeem obligations at their optional
24 redemption date, or purchase bonds on the open market.

THS 8-24
SECTION 10. 13.48 (14) (d) 1. of the statutes is repealed.

1 **SECTION 11.** 13.48 (14) (d) 2. of the statutes is renumbered 13.48 (14) (d) and
2 amended to read:

3 13.48 (14) (d) Biennially, beginning on January 1, 1984, each agency having
4 surplus land 2014, each agency shall submit to the department of administration an
5 inventory of all real property under its jurisdiction together with the estimated fair
6 market value of each property. The agency shall specifically identify any under
7 utilized assets in the inventory. No later than July 1 following receipt of the
8 inventories, the department of administration shall obtain appraisals of all
9 properties in the inventories that are identified by the department for potential sale
10 and shall submit to the building commission and the joint committee on finance an
11 inventory containing the location, description and fair market value of each parcel
12 of surplus land property identified for potential sale.

13 **SECTION 12.** 13.48 (14) (d) 3. of the statutes is repealed.

14 **SECTION 13.** 13.48 (14) (d) 4. of the statutes is repealed.

15 **SECTION 14.** 13.48 (20) of the statutes is amended to read:

16 13.48 (20) RESIDENCE HALLS. The Except as provided in sub. (14) (am), the
17 building commission may approve the sale or lease of state-owned residence halls
18 by the board of regents of the University of Wisconsin System to another state agency
19 or a nonstate nonprofit agency for purposes provided in s. 36.11 (1) (e).

20 **SECTION 15.** 13.48 (22) of the statutes is amended to read:

21 13.48 (22) SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may
22 lease or resell lands acquired in the capitol planning area for public or private
23 redevelopment and may set such conditions of sale or lease as it deems necessary to
24 ensure development compatible with the needs of the community and the state. This
25 subsection does not apply to lands that are authorized to be sold or leased under s.

1 16.848 while an offer of sale, sale, or lease agreement is pending or while the lands
2 are leased.

3 SECTION 16. 13.48 (23) of the statutes is amended to read:

4 13.48 (23) LEASE OF SPACE FOR COMMERCIAL USE. ~~The~~ Except as provided in sub.
5 (14) (am), the building commission may lease space in state office buildings for
6 commercial use, including without limitation because of enumeration, retail, service
7 and office uses. In doing so the building commission shall consider the cost and fair
8 market value of the space as well as the desirability of the proposed use. Such leases
9 may be negotiated or awarded by competitive bid procedures. All such leases of space
10 in state office buildings shall provide for payments in lieu of property taxes.

11 SECTION 17. 13.482 (2) (a) of the statutes is amended to read:

12 13.482 (2) (a) For the purpose of providing housing for state departments and
13 agencies, including housing for state offices and the completion of the state office
14 building, and to enable the construction, financing and ultimate acquisition thereof
15 by the state, the building commission may acquire any necessary lands, and, subject
16 to s. 13.48 (14) (am), lease and re-lease any lands owned by the state and available
17 for the purpose to the Wisconsin State Public Building Corporation or other nonstock
18 corporation organized under ch. 181 that is a nonprofit corporation, as defined in s.
19 181.0103 (17). The lease and re-lease shall be for a term or terms not exceeding 50
20 years each and shall be made on the condition that such corporation shall construct
21 and provide on such leased lands such building projects, including buildings,
22 improvements, facilities or equipment or other capital items, as the building
23 commission requires, and shall re-lease the same to the building commission upon
24 satisfactory terms as to the rental, maintenance and ultimate acquisition by the
25 state as is in its best interests in the judgment of the building commission. After such

1 leases and re-leases are executed and until the projects are acquired by the state,
2 they shall be operated by the building commission through the department of
3 administration, which shall have charge of such property as provided in ss. 16.85 and
4 16.8511. The building commission shall operate the projects in such manner as to
5 provide revenues therefrom sufficient to pay the costs of operation and maintenance
6 of the project and to provide for the payments due the Wisconsin State Public
7 Building Corporation or other nonstock, nonprofit corporation but if the building
8 commission finds and declares that the housing available in any such project is in
9 excess of the current housing needs or requirements of the state departments and
10 agencies occupying or availing themselves of the space in or capacity of such project,
11 the building commission need not operate such project in a manner to provide
12 revenues therefrom sufficient to pay the costs of operation and maintenance of the
13 project and to provide for the rental payments due the Wisconsin State Public
14 Building Corporation or other nonstock, nonprofit corporation.

15 **SECTION 18.** 13.488 (1) (a) of the statutes is amended to read:

16 13.488 (1) (a) Without limitation by reason of any other statutes except s. 13.48
17 (14) (am), the power to sell and to convey title in fee simple to a nonprofit-sharing
18 corporation any land and any existing buildings thereon owned by the state for such
19 consideration and upon such terms and conditions as in the judgment of the building
20 commission are in the public interest.

21 **SECTION 19.** 13.488 (1) (b) of the statutes is amended to read:

22 13.488 (1) (b) The Except as provided in s. 13.48 (14) (am), the power to lease
23 to a nonprofit-sharing corporation for terms not exceeding 50 years each any land
24 and existing buildings thereon owned by the state upon such terms, conditions and
25 rentals as in the judgment of the building commission are in the public interest.

1 **SECTION 20.** 16.310 (5) of the statutes is amended to read:

2 16.310 (5) NONAPPLICATION. This section does not apply to property that is
3 authorized to be sold under or leased or property that is operated under contract as
4 provided in s. 16.848 while an offer of sale, sale, or lease agreement is pending or
5 while the property is leased or under contractual operation.

6 **SECTION 21.** 16.705 (1) of the statutes is amended to read:

7 16.705 (1) The Except as otherwise provided in this section, the department
8 or its agents may contract for services which can be performed more economically or
9 efficiently by such contract. The department shall, by rule, prescribe uniform
10 procedures for determining whether services are appropriate for contracting under
11 this subsection.

12 **SECTION 22.** 16.705 (1e) of the statutes is created to read:

13 16.705 (1e) Subsection (1) does not apply to contracts entered into by the
14 department under s. 16.848 (1).

15 **SECTION 23.** 16.84 (1) of the statutes is amended to read:

16 16.84 (1) Have charge of, operate, maintain and keep in repair the state capitol
17 building, the executive residence, ~~the light, heat and power plant, any heating,~~
18 cooling, and power plants serving state properties that are not operated by an agency,
19 as defined in s. 16.52 (7), or by a purchaser, lessee, or contractor under s. 13.48 (14)
20 or 16.848 (1), the state office buildings and their power plants, the grounds connected
21 therewith, and such other state properties as are designated by law. All costs of such
22 operation and maintenance shall be paid from the appropriations under s. 20.505 (5)
23 (ka) and (kb), except for debt service costs paid under s. 20.866 (1) (u). The
24 department shall transfer moneys from the appropriation under s. 20.505 (5) (ka) to
25 the appropriation account under s. 20.505 (5) (kc) sufficient to make principal and

1 interest payments on state facilities and payments to the United States under s.
2 13.488 (1) (m).

3 **SECTION 24.** 16.848 (title) of the statutes is amended to read:

4 **16.848 (title) Sale, lease, or contractual operation of certain state**
5 **property or facilities.**

6 **SECTION 25.** 16.848 (1) of the statutes is amended to read:

7 16.848 (1) Except as provided in sub. (2), the department may offer for sale or
8 lease any state-owned real property, if the department determines that the sale or
9 lease is in the best interest of the state, unless prohibited under the state or federal
10 constitution or federal law or the sale is conducted as a part of a procedure to enforce
11 an obligation to this state. Any sale may be either on the basis of public bids, with
12 the department reserving the right to reject any bid in the best interest of the state,
13 or on the basis of negotiated prices as determined through a competitive or
14 transparent process. If the department receives an offer to purchase property offered
15 under this subsection, the department may submit a report to the building
16 commission recommending acceptance of the offer. The report shall contain a
17 description of the property and the reasons for the recommendation. The
18 department may recommend the sale of a ~~parcel of~~ property with or without the
19 approval of the agency, as defined in s. 16.52 (7), having jurisdiction ^{↓ over} of the property. *and regardless of whether the property is included in an inventory submitted under*
20 If the building commission approves the proposed sale, the department may sell the
21 property. Except with respect to property identified in sub. (2), if any agency, as
22 defined in s. 16.52 (7), has authority to sell or lease real property under any other law,
23 the authority of that agency does not apply after the department notifies the agency
24 in writing that an offer of sale or lease, or a lease agreement, is pending with respect
25 to the property under this subsection. If the sale or lease is not completed and no

1 further action is pending with respect to the property, the authority of the agency to
2 sell or lease the property is restored. If the department sells or leases any
3 state-owned real property under this subsection, the department may attach such
4 conditions to the sale or lease as it finds to be necessary or appropriate to carry out
5 the sale or lease in the best interest of the state. If the department ^{sells or} leases a
6 state-owned heating, cooling, or power plant under this subsection, the department
7 may contract with the ^{purchaser or} lessee for the operation of the plant.

8 SECTION 26. 16.848 (1e) of the statutes is created to read:

9 16.848 (1e) If the department sells, leases, or contracts with a ^{purchaser or} lessee for the
10 operation of any real property under sub. (1) that was under the jurisdiction of an
11 agency, as defined in s. 16.52 (7), prior to the sale, lease, or contract, the agency shall
12 convey all systems, fixtures, or additional property interests specified by the
13 department to the purchaser or ^{lessee} ~~lessor~~ of the property on terms specified by the
14 department. PNs 14-14

15 SECTION 27. 16.848 (1m) of the statutes is created to read:

16 16.848 (1m) If any property that is proposed to be sold by the department under
17 sub. (1) is co-owned by a nonstate entity, the department shall afford to that entity
18 the right of first refusal to purchase the share of the property owned by the state on
19 reasonable financial terms established by the department.

20 SECTION 28. 16.848 (1s) of the statutes is created to read:

21 16.848 (1s) (a) If the department sells ^{leases} or contracts with a ^{purchaser or} lessee for the
22 operation of any facility under sub. (1) that is operated by an agency, as defined in
23 s. 16.52 (7), on the day prior to the effective date of the sale ^{lease} or contract, the secretary
24 shall, notwithstanding s. 16.50 (1), require submission of expenditure estimates for
25 approval under s. 16.50 (2) for each agency that proposes to expend moneys from any

or leased
1 appropriation for the operation of the facility during the fiscal biennium in which the
2 facility is sold or operated under contract.

3 (b) Notwithstanding s. 16.50 (2), the secretary shall disapprove any such
4 estimate for the period during which the facility is not operated by the agency. The
5 secretary may then require the use of the amounts of any disapproved expenditure
6 estimates for the purpose of purchase of contractual services from the facility or
7 payment of the costs of purchasing services that were provided by the facility from
8 an alternative source. If the department sells ^{↑ leases ↑} or contracts [↑] for the operation of a
9 facility under this subsection, the secretary may identify any full-time equivalent
10 positions authorized for the agency that was operating the facility the duties of which
11 primarily relate to the management or operation of the facility, and may decrease the
12 authorized full-time equivalent positions for the agency by the number of positions
13 so identified effective on the effective date of the sale ^{↑ lease ↑} or contract.

14 (c) Notwithstanding ss. 20.001 (3) (a) to (c) and 25.40 (3), the secretary may
15 lapse or transfer to the general fund from the unencumbered balance of
16 appropriations to any agency, other than sum sufficient appropriations ^{and for}
17 appropriations of federal revenues, any amount appropriated to an agency that is
18 determined by the secretary to be allocated for the management or operation of the
19 facility that was sold ^{or leased} or operated under contract effective on the effective date of the
20 sale ^{↑ lease ↑} or contract.

21 (d) The secretary shall report any action taken under this subsection to the
22 cochairpersons of the joint committee on finance.

23 SECTION 29. 16.848 (2) (a) of the statutes is repealed.

24 SECTION 30. 16.848 (2) (b) of the statutes is repealed.

25 SECTION 31. 16.848 (2) (gw) of the statutes is repealed.

program revenues to the
Board of Regents of the University of
Wisconsin System or appropriations
of segregated or

1 **SECTION 32.** 16.848 (4) (a) of the statutes is amended to read:

2 16.848 (4) (a) Except as provided in s. 13.48 (14) (e), if there is any outstanding
3 public debt used to finance the acquisition, construction, or improvement of any
4 property that is sold under sub. (1), the department shall deposit a sufficient amount
5 of the net proceeds from the sale of the property in the bond security and redemption
6 fund under s. 18.09 to repay the principal and pay the interest on the debt, and any
7 premium due upon refunding any of the debt, and to provide a sufficient amount for
8 the costs of maintaining federal tax law compliance applicable to the debt. If the
9 property was acquired, constructed, or improved with federal financial assistance,
10 the department shall pay to the federal government any of the net proceeds required
11 by federal law. If the property was acquired by gift or grant or acquired with gift or
12 grant funds, the department shall adhere to any restriction governing use of the
13 proceeds. Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6),
14 if there is no such debt outstanding, there are no moneys payable to the federal
15 government, and there is no restriction governing use of the proceeds, and if the net
16 proceeds exceed the amount required to be deposited, paid, or used for another
17 purpose under this ^{strike} ~~paragraph~~ ^{subsection}, the department shall first use the net proceeds or
18 remaining net proceeds from the sale to retire any revenue obligation debt in the
19 fund that was used to acquire, construct, or improve the property in the manner
20 provided in par. (am), shall then use the proceeds or the remaining net proceeds to
21 pay principal and interest costs on outstanding public debt that was used for
22 transportation purposes from general fund supported borrowing, shall then use the
23 net proceeds or remaining net proceeds to pay principal and interest costs on
24 outstanding public debt that was used for transportation purposes from segregated
25 fund or segregated revenue supported borrowing, and shall then use the net proceeds

1 or remaining net proceeds to pay principal and interest costs on other outstanding
2 public debt.

3 **SECTION 33.** 16.848 (4) ^(c) ~~(b)~~ of the statutes is created to read:

4 16.848 (4) ^(c) ~~(b)~~ If there are any outstanding revenue obligations, issued
5 pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or
6 improvement of any property that is sold under sub. (1), the department shall deposit
7 a sufficient amount of the net proceeds from the sale of the property in the respective
8 redemption fund provided under s. 18.561 (5) or 18.562 (3) to repay the principal and
9 pay the interest on the revenue obligations, and any premium due upon refunding
10 any of the revenue obligations, and to provide a sufficient amount for the costs of
11 maintaining federal tax law compliance applicable to the revenue obligations. For
12 the purpose of paying principal and interest costs on other outstanding revenue
13 obligations, the secretary may cause outstanding revenue obligations to be called for
14 redemption on or following their optional redemption date, establish one or more
15 escrow accounts to redeem obligations at their optional redemption date, or purchase
16 bonds on the open market.

17 **SECTION 34.** 16.848 (4) (b) (intro.) of the statutes is amended to read:

18 16.848 (4) (b) (intro.) ~~For Except as otherwise required under par. (a), for the~~
19 purpose of paying principal and interest costs on other outstanding public debt under
20 par. (a), the secretary may cause outstanding bonds to be called for redemption on
21 or following their optional redemption date, establish one or more escrow accounts
22 to redeem bonds at their optional redemption date, or purchase bonds in the open
23 market. To the extent practical, the secretary shall consider all of the following in
24 determining which public debt to redeem:

SECTION 35. 16.848 (4) (b) 2. of the statutes is repealed.

1 **SECTION 36.** 16.848 (4) (b) 5. of the statutes is amended to read:

2 16.848 (4) (b) 5. The costs of maintaining federal tax law compliance in the
3 selection of general obligation debt to be redeemed.

4 **SECTION 37.** 18.09 (2) of the statutes is amended to read:

5 18.09 (2) Each sinking fund shall be expended, and all moneys from time to
6 time on hand therein are irrevocably appropriated, in sums sufficient, only for the
7 payment of principal and interest on the bonds giving rise to it, premium, if any, due
8 upon redemption of any such bonds, and payment due, if any, under an agreement
9 or ancillary arrangement that has been entered into under s. 18.06 (8) (a) with
10 respect to any such bonds and that has been determined to be payable from the bond
11 security and redemption fund under s. 18.06 (8) (a) 2. and for the costs of maintaining
12 federal tax law compliance applicable to the bonds.

13 **SECTION 38.** 18.561 (5) of the statutes is amended to read:

14 18.561 (5) REDEMPTION FUND. The proportion which shall be set aside for the
15 payment of the principal of and interest on the enterprise obligations and, as directed
16 by the commission, payments to be received with respect to an agreement or ancillary
17 arrangement entered into pursuant to s. 18.55 (6), shall, at such times as provided
18 in the authorizing resolution, be set apart and paid into a separate fund in the
19 treasury or in an account maintained by a trustee appointed for that purpose in the
20 authorizing resolution to be identified as "the ... redemption fund". Each redemption
21 fund shall be expended, and all moneys from time to time on hand therein are
22 irrevocably appropriated, in sums sufficient, only for the payment of principal of and
23 interest on the enterprise obligations giving rise to it and premium, if any, due upon
24 redemption of any such obligations, and for payment of obligations under an
25 agreement or ancillary arrangement entered into under s. 18.55 (6) to the extent

1 provided for in an authorizing resolution, and for the costs of maintaining federal tax
2 law compliance applicable to the obligations. Moneys in the redemption funds may
3 be commingled only for the purpose of investment with other public funds, but they
4 shall be invested only in investment instruments permitted in s. 25.17 (3) (dr). All
5 such investments shall be the exclusive property of the fund and all earnings on or
6 income from such investments shall be credited to the fund.

7 **SECTION 39.** 18.562 (3) of the statutes is amended to read:

8 18.562 (3) REDEMPTION FUND. The special fund revenues that are to be set aside
9 for the payment of the principal of and interest on the special fund obligations and,
10 as directed by the commission, payments to be received with respect to an agreement
11 or ancillary arrangement entered into under s. 18.55 (6), shall be paid into a separate
12 fund in the treasury or in an account maintained by a trustee appointed for that
13 purpose in the authorizing resolution to be identified as "the ... redemption fund".
14 Each redemption fund shall be expended, and all moneys from time to time on hand
15 therein are irrevocably appropriated, in sums sufficient, only for the payment of
16 principal of and interest on the special fund obligations giving rise to it and premium,
17 if any, due upon redemption of any such obligations, and for payment of obligations
18 under an agreement or ancillary arrangement entered into under s. 18.55 (6) to the
19 extent provided for in an authorizing resolution, and for the costs of maintaining
20 federal tax law compliance applicable to the obligations. Moneys in the redemption
21 funds may be commingled only for the purpose of investment with other public funds,
22 but they shall be invested only in investment instruments permitted in s. 25.17 (3)
23 (dr). All such investments shall be the exclusive property of the fund and all earnings
24 on or income from such investments shall be credited to the fund.

25 **SECTION 40.** 20.373 (1) (g) of the statutes is amended to read:

1 20.373 (1) (g) *Administration, operation, repair, and rehabilitation.* From the
2 general fund, all moneys received from the sale of surplus land under 2005 Wisconsin
3 Act 25, section 9105 (14q) except as provided in s. 13.48 (14) (am) or 16.848 (1), to be
4 used for administration of the authority and the operation, repair, and rehabilitation
5 of the Fox River lock system.

6 **SECTION 41.** 25.17 (8) of the statutes is amended to read:

7 25.17 (8) Accept, when necessary to protect a mortgage loan, a quitclaim deed
8 or warranty deed to the mortgaged property in full satisfaction of the mortgage debt,
9 and, subject to prior action under s. 13.48 (1) (am) or 16.848 (1), manage, operate,
10 lease, exchange, sell and convey, by land contract, quitclaim deed or warranty deed,
11 and grant easement rights in, any real property acquired by the board.

12 **SECTION 42.** 25.60 of the statutes is amended to read:

13 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
14 trust fund designated as the budget stabilization fund, consisting of moneys
15 transferred to the fund from the general fund under ss. 13.48 (14) (e), 16.518 (3), and
16 16.72 (4) (b).

17 **SECTION 43.** 36.09 (1) (L) of the statutes is amended to read:

18 36.09 (1) (L) The board shall possess all powers necessary or convenient for the
19 operation of the system except as limited in this chapter and ss. 13.48 (14) (am) and
20 16.848 (1).

21 **SECTION 44.** 36.11 (1) (b) of the statutes is amended to read:

22 36.11 (1) (b) Except as provided in this paragraph and ss. 13.48 (14) (am) and
23 16.848 (1), the board may purchase, have custody of, hold, control, possess, lease,
24 grant easements and enjoy any lands, buildings, books, records and all other
25 property of any nature which may be necessary and required for the purposes, objects

1 and uses of the system authorized by law. Any lease by the board is subject to the
2 powers of the University of Wisconsin Hospitals and Clinics Authority under s.
3 233.03 (13) and the rights of the authority under any lease agreement, as defined in
4 s. 233.01 (6). The board shall not permit a facility that would be privately owned or
5 operated to be constructed on state-owned land without obtaining prior approval of
6 the building commission under s. 13.48 (12). The Subject to prior action under s.
7 13.48 (14) (am) or 16. 848 (1), the board may sell or dispose of such property as
8 provided by law, or any part thereof when in its judgment it is for the best interests
9 of the system and the state. All purchases ~~and sales~~ of real property shall be subject
10 to the approval of the building commission. The provision of all leases of real
11 property to be occupied by the board shall be the responsibility of the department of
12 administration under s. 16.84 (5).

13 **SECTION 45.** 36.11 (1) (e) of the statutes is amended to read:

14 36.11 (1) (e) The Subject to prior action under s. 13.48 (14) (am) or 16.848 (1),
15 the board, with the approval of the building commission, may sell or lease
16 state-owned residence halls to another state agency or nonstate nonprofit agency for
17 purposes of alternate use.

18 **SECTION 46.** 36.11 (28) of the statutes is amended to read:

19 36.11 (28) LEASE AGREEMENT WITH THE UNIVERSITY OF WISCONSIN HOSPITALS AND
20 CLINICS AUTHORITY. Subject to 1995 Wisconsin Act 27, section 9159 (2) (k), and subject
21 to any prior lease entered into under s. 13.48 (14) (am) or 16.848 (1), the board shall
22 negotiate and enter into a lease agreement with the University of Wisconsin
23 Hospitals and Clinics Authority that meets the requirements under s. 233.04 (7) and
24 shall comply with s. 233.04 (7g).

25 **SECTION 47.** 36.33 (title) and (1) of the statutes are amended to read:

36.33 (title) Sale or lease and relocation of agricultural lands. (1)

LEGISLATIVE INTENT. The legislature finds and determines that, because of the problems resulting from the development of the city of Madison around certain agricultural lands of the University of Wisconsin–Madison, the desirability of consolidating lands used for agricultural instruction, research and extension purposes, the desirability of disposing of agricultural lands no longer needed by the university and the need for land of better quality and of greater quantity for the purpose of improving and expanding agricultural research, it is in the public interest for the board to sell or lease, in whole or in part, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the agricultural lands and improvements thereon owned by the board and located in sections 19, 20 and 30, township 7 north, range 9 east, Dane County; sections 25 and 27, township 7 north, range 8 east, Dane County; sections 34 and 35, township 38 north, range 11 east, Oneida County; and section 22, township 22 north, range 8 east, Portage County; and to purchase other agricultural lands outside of the Madison urban area and to construct thereon the necessary buildings and improvements. The foregoing policy determination is made without reference to or intention of limiting the powers which the board may otherwise have.

SECTION 48. 36.33 (2) (title) and (a) (intro.) of the statutes are amended to read:

36.33 (2) (title) METHOD OF SALE OR LEASE; ASSESSMENTS. (a) (intro.) The Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the board, in selling or leasing any part of the agricultural lands and improvements thereon, mentioned in sub. (1), shall sell or lease on the basis of either of the following:

SECTION 49. 36.33 (3) of the statutes is amended to read:

1 36.33 (3) BUILDING COMMISSION APPROVAL. The sale, lease and purchase of
2 agricultural lands mentioned in sub. (1) is subject to prior action under s. 13.48 (14)
3 (am) or 16.848 (1) and shall be subject to the approval of the building commission.

4 **SECTION 50.** 41.23 of the statutes is amended to read:

5 **41.23 Sale of excess or surplus property.** The department may acquire
6 excess or surplus property from the department of administration under ss. 16.72 (4)
7 (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and,
8 subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may
9 sell the property acquired under this section to any person at a price determined by
10 the department of tourism. All proceeds received by the department of tourism from
11 the sale of property under this section shall be credited to the appropriation account
12 under s. 20.380 (1) (h).

13 **SECTION 51.** 41.41 (7) (b) of the statutes is amended to read:

14 41.41 (7) (b) ~~Lease~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848
15 (1), lease land that is part of the Kickapoo valley reserve to any person for purposes
16 consistent with the management of the reserve under sub. (3), or for agricultural
17 purposes, and lease other land that is acquired by the board for any lawful purpose.

18 **SECTION 52.** 44.015 (1) of the statutes is amended to read:

19 44.015 (1) Acquire any interest in real or personal property by gift, bequest or
20 otherwise in any amount and, subject to prior action under s. 13.48 (14) (am) or
21 16.848 (1), may operate, manage, sell, or rent or convey real estate acquired by gift,
22 bequest, foreclosure or other means, upon such terms and conditions as the board of
23 curators deems for its interests but may not sell, mortgage, transfer or dispose of in
24 any manner or remove from its buildings, except for temporary purposes, any article
25 therein without authority of law.

1 **SECTION 53.** 44.16 (1) of the statutes is amended to read:

2 44.16 (1) The Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1),
3 the historical society may enter into a lease agreement with the Circus World
4 Museum Foundation, Inc., for the purpose of operating Circus World Museum,
5 located in Baraboo, Wisconsin. The lease agreement shall not include any provision
6 for the payment of a percentage of gross admissions income at Circus World Museum
7 to the historical society.

8 **SECTION 54.** 45.03 (5) (c) 1. a. of the statutes is amended to read:

9 45.03 (5) (c) 1. a. Without limitation by reason of any other provisions of the
10 statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, unless otherwise required by law,
11 the power to sell and to convey title in fee simple to a nonprofit corporation any land
12 and any existing buildings owned by the state that are under the jurisdiction of the
13 department for the consideration and upon the terms and conditions as in the
14 judgment of the board are in the public interest.

15 **SECTION 55.** 46.03 (30) (a) of the statutes is amended to read:

16 46.03 (30) (a) To provide for an orderly reduction of state institutional primary
17 psychiatric services the department may approve the institutes entering into
18 contracts with county departments under s. 51.42 for providing primary psychiatric
19 care. If excess capacity exists at state operated mental health institutes, the
20 department shall, subject to ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, explore the possible
21 sale or lease of such excess facilities to a county department under s. 51.42.

22 **SECTION 56.** 46.035 (2) (a) of the statutes is amended to read:

23 46.035 (2) (a) Without limitation by reason of any other provisions of the
24 statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, the power to sell and to convey
25 title in fee simple to a nonprofit corporation any land and any existing buildings

1 thereon owned by, or owned by the state and held for, the department or of any of the
2 institutions under the jurisdiction of the department for such consideration and
3 upon such terms and conditions as in the judgment of the secretary are in the public
4 interest.

5 **SECTION 57.** 46.06 (4) of the statutes is amended to read:

6 46.06 (4) SALES. The department may, with the approval of the building
7 commission, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), sell
8 and convey such lands under the jurisdiction of the department as the secretary
9 deems to be in excess of the present or future requirements of the department for
10 either the operation of its facilities or programs, for the maintenance of buffer zones
11 adjacent to its facilities or for other public purposes. The proceeds of such sales are
12 subject to s. 13.48 (14) (c).

13 **SECTION 58.** 51.06 (6) of the statutes is amended to read:

14 51.06 (6) SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE
15 DEVELOPMENTALLY DISABLED. The department may maintain the Northern Center for
16 the Developmentally Disabled for the purpose specified in sub. (1), but may sell
17 assets or real property, of the Northern Center for the Developmentally Disabled,
18 subject to any prior action under s. 13.48 (14) (am) or 16.848 (1). If there is any
19 outstanding public debt used to finance the acquisition, construction, or
20 improvement of any property that is sold under this subsection, the department shall
21 deposit a sufficient amount of the net proceeds from the sale of the property in the
22 bond security and redemption fund under s. 18.09 to repay the principal and pay the
23 interest on the debt, and any premium due upon refunding any of the debt. If the
24 property was purchased with federal financial assistance, the department shall pay
25 to the federal government any of the net proceeds required by federal law. If there

1 is no such debt outstanding and there are no moneys payable to the federal
2 government, or if the net proceeds exceed the amount required to be deposited or paid
3 under this subsection, the department shall credit the net proceeds or remaining net
4 proceeds to the appropriation account under s. 20.435 (2) (gk).

5 **SECTION 59.** 84.01 (30) (g) 3. of the statutes is amended to read:

6 84.01 (30) (g) 3. Notwithstanding any other statute except ss. 13.48 (14) (am)
7 and 16.848 (1), the department may sell, at the appraised value, the real estate upon
8 which a park-and-ride facility is or may be located, if the department determines
9 that the sale is in the best interests of the public and the department determines that
10 the real estate will be used in a manner consistent with the state's transportation
11 interests.

12 **SECTION 60.** 84.09 (1) of the statutes is amended to read:

13 84.09 (1) The department may acquire by gift, devise, purchase or
14 condemnation any lands for establishing, laying out, widening, enlarging,
15 extending, constructing, reconstructing, improving and maintaining highways and
16 other transportation related facilities, or interests in lands in and about and along
17 and leading to any or all of the same; and after establishment, layout and completion
18 of such improvements, the department may, subject to any prior action under s. 13.48
19 (14) (am) or 16.848 (1), convey such lands thus acquired and not necessary for such
20 improvements, with reservations concerning the future use and occupation of such
21 lands so as to protect such public works and improvements and their environs and
22 to preserve the view, appearance, light, air and usefulness of such public works.
23 Whenever the department deems it necessary to acquire any such lands or interests
24 therein for any transportation related purpose, it shall so order and in such order or
25 on a map or plat show the old and new locations and the lands and interests required,

1 and shall file a copy of the order and map with the county clerk and county highway
2 committee of each county in which such lands or interests are required or, in lieu of
3 filing a copy of the order and map, may file or record a plat in accordance with s.
4 84.095. For the purposes of this section the department may acquire private or public
5 lands or interests in such lands. When so provided in the department's order, such
6 land shall be acquired in fee simple. Unless it elects to proceed under sub. (3), the
7 department shall endeavor to obtain easements or title in fee simple by conveyance
8 of the lands or interests required at a price, including any damages, deemed
9 reasonable by the department. The instrument of conveyance shall name the state
10 as grantee and shall be recorded in the office of the register of deeds. The purchase
11 or acquisition of lands or interests therein under this section is excepted and exempt
12 from s. 20.914 (1). The department may purchase or accept donations of remnants
13 of tracts or parcels of land existing at the time or after it has acquired portions of such
14 tracts or parcels by purchase or condemnation for transportation purposes where in
15 the judgment of the department such action would assist in making whole the
16 landowner, a part of whose lands have been taken for transportation purposes and
17 would serve to minimize the overall costs of such taking by the public. This
18 subsection does not apply to lands that are sold under s. 16.848.

19 **SECTION 61.** 84.09 (5) (a) of the statutes is amended to read:

20 84.09 (5) (a) Subject to pars. (b) and (c) and any prior action under s. 13.48 (14)
21 (am) or 16.848 (1), and subject to the approval of the governor, the department may
22 sell at public or private sale property of whatever nature owned by the state and
23 under the jurisdiction of the department when the department determines that the
24 property is no longer necessary for the state's use for transportation purposes and,
25 if real property, the real property is not the subject of a petition under s. 16.310 (2).

1 The department shall present to the governor a full and complete report of the
2 property to be sold, the reason for the sale, and the minimum price for which the same
3 should be sold, together with an application for the governor's approval of the sale.
4 The governor shall thereupon make such investigation as he or she may deem
5 necessary and approve or disapprove the application. Upon such approval and
6 receipt of the full purchase price, the department shall by appropriate deed or other
7 instrument transfer the property to the purchaser. The approval of the governor is
8 not required for public or private sale of property having an appraised value at the
9 time of sale of not more than \$15,000, for the transfer of surplus state real property
10 to the department of administration under s. 16.310, or for the transfer of surplus
11 state personal property to the department of tourism under sub. (5s). The funds
12 derived from sales under this subsection shall be deposited in the transportation
13 fund, and the expense incurred by the department in connection with the sale shall
14 be paid from such fund.

15 **SECTION 62.** 84.09 (5) (c) 1. (intro.) of the statutes is amended to read:

16 84.09 (5) (c) 1. (intro.) ~~Prior~~ Subject to any prior action under s. 13.48 (14) (am)
17 or 16.848 (1), prior to conducting a public sale on a generally marketable surplus land
18 parcel under par. (b), the department shall contact the county, municipality, and the
19 local school district where the land parcel is located and the department of natural
20 resources to solicit interest in acquiring the parcel for public use. Upon notification
21 from the department, the county, municipality, local school district, and department
22 of natural resources must respond to the department, stating their interest in the
23 land for public use, within 60 days. Failure to respond within 60 days constitutes
24 noninterest in the land parcel.

25 **SECTION 63.** 84.09 (5) (c) 2. (intro.) of the statutes is amended to read:

1 84.09 (5) (c) 2. (intro.) Except as provided in subd. 2m. and subject to any prior
2 action under s. 13.48 (14) (am) or 16.848 (1), if a county, a municipality, a local school
3 district, or the department of natural resources expresses interest in acquiring the
4 land for public use, the department shall offer the county, municipality, local school
5 district, or department of natural resources the property at its appraised value if all
6 of the following are true:

7 **SECTION 64.** 84.09 (5) (c) 2m. (intro.) of the statutes is amended to read:

8 84.09 (5) (c) 2m. (intro.) If a county, municipality, or a local school district
9 expresses interest in acquiring the land for public use related to transportation or
10 infrastructure, the department may, subject to any prior action under s. 13.48 (14)
11 (am) or 16.848 (1), offer the county, municipality, or the local school district the
12 property, for less than the appraised value of the property, if all of the following are
13 true:

14 **SECTION 65.** 84.09 (5m) of the statutes is amended to read:

15 84.09 (5m) Subject to the approval of the governor in the manner, scope, and
16 form provided by sub. (5) (a), and subject to any prior action under s. 13.48 (14) (am)
17 or 16.848 (1), the department may convey lands or interests therein acquired
18 pursuant to this section and improvements installed thereon to municipalities
19 within whose limits such lands or interests therein are located. The conveyance of
20 said lands or interests therein and improvements shall restrict the use of the
21 premises by the municipality to the uses for which they were acquired, except that
22 said lands or interests therein declared by the department to be excess may be so
23 conveyed without restrictions as to use. This subsection shall apply only to the sale
24 of property acquired by the department for a project that is completed before May 25,
25 2006. The department may sell property that is acquired by the department for a

1 project that is completed after May 25, 2006, to a municipality under sub. (5) (c), as
2 applicable.

3 **SECTION 66.** 84.09 (6) of the statutes is amended to read:

4 84.09 (6) Lands Subject to any prior action under s. 13.48 (14) (am) or 16.848
5 (1), lands held by any other state department or independent agency may, with the
6 approval of the governor, be conveyed to the department in the manner prescribed
7 by statute and, if none is prescribed, then by a conveyance authorized by appropriate
8 order or resolution of the head of the department or independent agency concerned.

9 **SECTION 67.** 84.09 (9) of the statutes is repealed.

10 **SECTION 68.** 84.40 (2) (a) of the statutes is amended to read:

11 84.40 (2) (a) May Subject to any prior action under s. 13.48 (14) (am) or 16.848
12 (1), may sell and convey to a nonprofit-sharing corporation any public right-of-way
13 available for highway purposes and any existing highways or other improvements
14 thereon owned by the state or under the jurisdiction of the department for such
15 consideration and upon such terms and conditions as the department deems in the
16 public interest.

17 **SECTION 69.** 85.09 (2) (a) of the statutes is amended to read:

18 85.09 (2) (a) The department of transportation shall have the first right to
19 acquire, for present or future transportation or recreational purposes, any
20 property used in operating a railroad or railway, including land and rails, ties,
21 switches, trestles, bridges, and the like located on that property, that has been
22 abandoned. The department of transportation may, in connection with abandoned
23 rail property, assign this right to a state agency, the board of regents of the University
24 of Wisconsin System, any county or municipality, or any transit commission.
25 Acquisition by the department of transportation may be by gift, purchase, or

1 condemnation in accordance with the procedure under s. 32.05. In addition to its
2 property management authority under s. 85.15, the department of transportation
3 may, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), lease and collect
4 rents and fees for any use of rail property pending discharge of the department's duty
5 to convey property that is not necessary for a public purpose. No person owning
6 abandoned rail property, including any person to whom ownership reverts upon
7 abandonment, may convey or dispose of any abandoned rail property without first
8 obtaining a written release from the department of transportation indicating that
9 the first right of acquisition under this subsection will not be exercised or assigned.
10 No railroad or railway may convey any rail property prior to abandonment if the rail
11 property is part of a rail line shown on the railroad's system map as in the process
12 of abandonment, expected to be abandoned, or under study for possible
13 abandonment unless the conveyance or disposal is for the purpose of providing
14 continued rail service under another company or agency. Any conveyance made
15 without obtaining such release is void. The first right of acquisition of the
16 department of transportation under this subsection does not apply to any rail
17 property declared by the department to be abandoned before January 1, 1977. The
18 department of transportation may acquire any abandoned rail property under this
19 section regardless of the date of its abandonment.

20 **SECTION 70.** 85.09 (4) of the statutes is amended to read:

21 85.09 (4) ACQUISITION AND CONVEYANCE. Upon its own initiative, the department
22 may determine at any time whether the rail property is abandoned, and whether it
23 is in the best interest of the state to acquire the rail property. Within 90 days after
24 being requested by any state agency, any railroad or any county or municipality in
25 which the rail property is located, the department shall, subject to sub. (5) (b), make

1 a determination of the abandonment status and, if found to be abandoned, shall
2 determine whether it is in the best interest of the public to acquire the rail property.
3 If it is determined to acquire the rail property or any part or interest therein, the
4 department shall, within 180 days of the determination of its abandoned status, or
5 the interstate commerce commission's final order permitting the abandonment, or
6 the termination of any efforts to negotiate an agreement for continual operation of
7 rail service on the line, whichever occurs last, determine the fair market value of the
8 rail property and acquire the rail property at a price deemed reasonable by the
9 department or make a relocation order under s. 32.05. In making its determination,
10 the department shall consider long-range potential for use of the rail property for
11 restoration of railroad service and for other transportation related purposes. The
12 department shall solicit the opinions of appropriate state agencies, affected counties
13 and municipalities and other interested persons. The department shall give due
14 consideration to an expressed desire by a state agency or an affected county or
15 municipality to acquire, in whole or in part, the rail property under consideration.
16 Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1) and subject to sub.
17 (6), all or part of any interest in abandoned rail property acquired by the department
18 under this section or under s. 66.941 (7), 1975 stats., may be subsequently conveyed
19 to another state agency or a county or municipality for transportation purposes,
20 recreational purposes, scenic purposes or for the purpose of constructing a
21 correctional institution, or to a railroad for continued railroad transportation
22 operations when the railroad has operated on the rail property for 5 years and the
23 department may make such conveyances for such purposes. Any determination of
24 the department under this section that rail property is not abandoned shall not
25 preclude the undertaking of a subsequent investigation and determination

1 concerning the same rail property or any portion thereof. If at any time subsequent
2 to the acquisition of rail property under this section the department determines that
3 the rail property is not suitable for transportation purposes, recreational purposes,
4 scenic purposes or for the purpose of constructing a correctional institution, or that
5 the rail property or any interest therein may be conveyed to any other person on
6 terms which are not inconsistent with the potential use of the rail property for
7 transportation purposes, recreational purposes, scenic purposes or for the purpose
8 of constructing a correctional institution or which yield a benefit, including financial
9 benefits, to the state which outweighs the benefit derived from the rail property if
10 used for transportation purposes, recreational purposes, scenic purposes or for the
11 purpose of constructing a correctional institution, the department may convey the
12 rail property or such interest therein, subject to any prior action under s. 13.48 (14)
13 (am) or 16.848 (1) and subject to sub. (6). The department shall give notice of its
14 intention to make the conveyance, and state and local units of government shall have
15 the first 6 months in which to exercise their opportunity to acquire the rail property
16 or interest therein. The railroad from which the rail property was acquired shall
17 have the next 6 months in which to exercise its opportunity to reacquire the rail
18 property or interest therein.

19 **SECTION 71.** 85.09 (4i) of the statutes is amended to read:

20 85.09 (4i) DISPOSAL OF RAIL PROPERTY. The department, subject to any prior
21 action under s. 13.48 (14) (am) or 16.848 (1), shall sell at public or private sale rail
22 property acquired under sub. (4) when the department determines that the rail
23 property is not necessary for a public purpose and, if real property, the real property
24 is not the subject of a petition under s. 16.310 (2). Upon receipt of the full purchase
25 price, the department shall, by appropriate deed or other instrument, transfer the

1 rail property to the purchaser. The funds derived from sales under this subsection
2 shall be deposited in the transportation fund, and the expense incurred by the
3 department in connection with the sale shall be paid from the appropriation under
4 s. 20.395 (2) (bq). ~~This subsection does not apply to real property that is sold under~~
5 ~~s. 16.848.~~

6 **SECTION 72.** 85.15 (1) of the statutes is amended to read:

7 85.15 (1) The Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1),
8 the department may improve, use, maintain or lease any property acquired for
9 highway, airport or any other transportation purpose until the property is actually
10 needed for any such purpose and may permit use of the property for purposes and
11 upon such terms and conditions as the department deems in the public interest.

12 **SECTION 73.** 108.161 (7) of the statutes is amended to read:

13 108.161 (7) If any moneys appropriated hereunder are used to buy and hold
14 suitable land, with a view to the future construction of an employment security
15 building thereon, and if such land is later sold or transferred to other use, the
16 proceeds of such sale (or the value of such land when transferred) shall be credited
17 to the account created by sub. (1) except as otherwise provided in s. 13.48 (14) and
18 16.848.

19 **SECTION 74.** 108.161 (9) of the statutes is amended to read:

20 108.161 (9) Any land and building or office quarters acquired under this section
21 shall continue to be used for employment security purposes. Realty or quarters may
22 not be sold or transferred to other use if prior action is taken under s. 13.48 (14) (am)
23 or 16.848 (1) and may not be sold or transferred without the governor's approval. The
24 proceeds from the sale, or the value of realty or quarters upon transfer, shall be
25 credited to the account established in sub. (1) or credited to the fund established in

1 s. 108.20, or both in accordance with federal requirements. Equivalent substitute
2 rent-free quarters may be provided, as federally approved. Amounts credited under
3 this subsection shall be used solely to finance employment security quarters
4 according to federal requirements.

5 **SECTION 75.** 114.33 (6) (a) of the statutes is amended to read:

6 114.33 (6) (a) For the purposes of carrying out this section and ss. 114.35 and
7 114.37, the secretary may acquire by gift, devise, purchase or condemnation any
8 lands for establishing, protecting, laying out, enlarging, extending, constructing,
9 reconstructing, improving and maintaining airports, or interests in lands in and
10 about airports. After completion of the improvements, subject to any prior action
11 under s. 13.48 (14) (am) or 16.848 (1), the secretary may convey as provided in this
12 subsection lands that were acquired under this subsection, but were not necessary
13 for the airport improvements. The conveyances may be made with reservations
14 concerning the future use and occupation of those lands so as to protect the airports
15 and improvements and their environs and to preserve the view, appearance, light,
16 air and usefulness of the airports.

17 **SECTION 76.** 114.33 (10) of the statutes is amended to read:

18 114.33 (10) Subject to the approval of the governor under this subsection and
19 subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the secretary may
20 sell at public or private sale property of whatever nature owned by the state and
21 under the jurisdiction of the secretary when the secretary determines that the
22 property is no longer necessary for the state's use for airport purposes and, if real
23 property, the real property is not the subject of a petition under s. 16.310. The
24 secretary shall present to the governor a full and complete report of the property to
25 be sold, the reason for the sale, and the minimum price for which the property should

1 be sold, together with an application for the governor's approval of the sale. The
2 governor shall investigate the proposed sale as he or she deems necessary and
3 approve or disapprove the application. Upon approval and receipt of the full
4 purchase price, the secretary shall by appropriate deed or other instrument transfer
5 the property to the purchaser. The funds derived from the sale shall be deposited in
6 the appropriate airport fund, and the expense incurred by the secretary in
7 connection with the sale shall be paid from that fund. ~~This subsection does not apply~~
8 ~~to real property that is sold under s. 16.848.~~

9 **SECTION 77.** 301.235 (2) (a) 1. of the statutes is amended to read:

10 301.235 (2) (a) 1. Without limitation by reason of any other statute except s.
11 ss. 13.48 (14) (am) and 16.848 (1), the power to sell and to convey title in fee simple
12 to a nonprofit corporation any land and any existing buildings thereon owned by, or
13 owned by the state and held for, the department or any of the institutions under the
14 jurisdiction of the department for such consideration and upon such terms and
15 conditions as in the judgment of the secretary are in the public interest.

16 **SECTION 78.** 301.24 (4) of the statutes is amended to read:

17 301.24 (4) SALES. Except where a sale occurs under s. 13.48 (14) (am) or 16.848
18 (1), the department, with the approval of the building commission, may sell and
19 convey such lands under the jurisdiction of the department as the secretary deems
20 to be in excess of the present or future requirements of the department for either the
21 operation of its facilities or programs, for the maintenance of buffer zones adjacent
22 to its facilities or for other public purposes. The proceeds of the sales shall be credited
23 to the state building trust fund.

24 **SECTION 79.** 301.24 (4m) of the statutes is amended to read:

301.24 (4m) CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to any other requirements under this section, except where a sale occurs under s. 13.48 (14) (am) or 16.848 (1), the department may sell or otherwise transfer or dispose of the property acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the sale, transfer or disposition is approved by the joint committee on finance. The department shall submit a plan for any such proposed sale, transfer or disposition to the committee.

SECTION 80. 302.04 of the statutes is amended to read:

302.04 Duties of warden and superintendents. Except as provided in s. ss. 13.48 (14) (am) and 16.848 (1), the warden or the superintendent of each state prison shall have charge and custody of the prison and all lands, belongings, furniture, implements, stock and provisions and every other species of property within the same or pertaining thereto. The warden or superintendent shall enforce the rules of the department for the administration of the prison and for the government of its officers and the discipline of its inmates.

(END)

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1130/4ins

JTK.....

or
lessee

For DOA
contracts with a
purchaser for the
operation of

INS 3A:

X (no 9) The bill also provides that if DOA or the Building Commission sells or leases a state-owned heating, cooling, or power plant that is under the jurisdiction of a state agency, the agency must convey all real and personal property associated with the plant to the purchaser or lessee.

STET

INS 5-4

(no 9) The commission may sell or lease property under this paragraph with or without the approval of the agency having jurisdiction over the property and regardless of whether the property is included in an inventory submitted under par. (d).

INS 6-13:

(no 9) If the commission sells or leases a state-owned heating, cooling, or power plant that is under the jurisdiction of an agency, the agency shall convey all real and personal property associated with the plant to the purchaser or lessee.

INS 8-24:

(no 9) Except as required under par.(e) and ss. 13.48 (14) (e), 20.395 (9) (qd) and 51.06 (6), if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this paragraph, the department shall used the net proceeds or the remaining net proceeds to pay principal and interest costs on other similar revenue obligations.

JWS 6-7

1 further action is pending with respect to the property, the authority of the agency to
2 sell or lease the property is restored. If the department sells or leases any
3 state-owned real property under this subsection, the department may attach such
4 conditions to the sale or lease as it finds to be necessary or appropriate to carry out
5 the sale or lease in the best interest of the state. If the department leases a
6 state-owned heating, cooling, or power plant under this subsection, the department
7 may contract with the lessee for the operation of the plant.

8 **SECTION 26.** 16.848 (1e) of the statutes is created to read:

9 16.848 (1e) If the department sells, leases, or contracts with a lessee for the
10 operation of any real property under sub. (1) that was under the jurisdiction of an
11 agency, as defined in s. 16.52 (7), prior to the sale, lease, or contract, the agency shall
12 convey all systems, fixtures, or additional property interests specified by the
13 department to the purchaser or lessor of the property on terms specified by the
14 department.

② 13.48(14) (b9)

15 **SECTION 27.** ~~16.848 (1e)~~ of the statutes is created to read:

16 ~~16.848 (1e)~~ 13.48(14) (b9) If any property that is proposed to be sold by the ~~department~~ ^{Commission} under
17 ~~sub. (1)~~ ^{par. (am)} is co-owned by a nonstate entity, the ~~department~~ ^{Commission} shall afford to that entity
18 the right of first refusal to purchase the share of the property owned by the state on
19 reasonable financial terms established by the ~~department~~ ^{Commission}.

20 **SECTION 28.** 16.848 (1s) of the statutes is created to read:

21 16.848 ~~(1s)~~ (a) If the department sells or contracts with a lessee for the
22 operation of any facility under sub. (1) that is operated by an agency, as defined in
23 s. 16.52 (7), on the day prior to the effective date of the sale or contract, the secretary
24 shall, notwithstanding s. 16.50 (1), require submission of expenditure estimates for
25 approval under s. 16.50 (2) for each agency that proposes to expend moneys from any

INS 14-14:

no 4 If the department sells ^{or leases} a state-owned heating, cooling, or power plant that is under the jurisdiction of an agency, as defined in s. 16.52 (7), the agency shall convey all real and personal property associated with the plant to the purchaser or lessee. ✓

INS 18-4:

no 4 Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this paragraph, the department shall use the net proceeds or remaining net proceeds to pay principal and interest costs ^{or} other similar revenue obligations. Oh

INS 17-24:

SECTION 1. 16.848 (4) (b) 1. of the statutes is repealed and recreated to read:

16.848 (4) (b) 1. To the extent that debt service on the property being sold was paid from a segregated fund, other outstanding public debt related to that segregated fund should be redeemed. X